



April 15, 2005

FILED ELECTRONICALLY

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Ex Parte* Presentation in CS Docket No. 97-80 and PP Docket No. 00-67

Dear Ms. Dortch:

This letter is submitted on behalf of Starz Entertainment Group LLC ("Starz," formerly known as Starz Encore Group LLC) regarding the Petitions for Reconsideration that were filed in response to the Commission's Second Report and Order and Second Further Notice of Proposed Rulemaking, Implementation of Section 304 of the Telecommunications Act of 1996, FCC 03-225, released October 9, 2003 ("Plug & Play Order"). On March 10, 2004, Starz filed an Opposition to the Petition for Reconsideration that had been filed by the Motion Picture Association of America ("MPAA") on December 29, 2003. MPAA seeks reconsideration of that portion of the Plug and Play Order which held that subscription on demand ("SOD") services would be classified as "Undefined Business Models" for which the level of copy protection encoding would be determined initially by the MVPD offering the SOD service. MPAA instead argued that SOD services should be a defined business model that could be encoded as restrictively as "Copy Never." Starz, in its Opposition to the MPAA Petition for Reconsideration, supported the Commission's decision to allow for the development of new types of SOD services by classifying SOD services as "Undefined Business Models." Starz also argued that if the Commission were to reclassify SOD service as a "Defined Business Model," then the service could be encoded no more restrictively as "Copy Once."

In the year since the Petitions for Reconsideration were filed, the SOD business has developed significantly. We have seen this market develop, and we have considered new business models and product licensing with new rights and usage rules. Starz's SOD service, Starz On Demand, has now been launched on cable television systems operated by Comcast, Cox, Charter, and many other large cable operators. In view of this major roll-out of Starz's SOD service, we believe that there are serious issues with the Commission's approach to the treatment of subscription on demand under the Plug & Play copy protection encoding rules. Specifically, we are now concerned that the classification of SOD services as "Undefined Business Models" creates a difficult and cumbersome process for cable operators to navigate in order to take advantage of the flexibility that was sought to be provided in this proceeding. In addition, Starz does respect the concerns expressed by the MPAA that the growth and ease of on

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demand services has reduced the need for copying of programs from such subscription on demand services.

For these reasons, Starz has determined that it is appropriate to change its position regarding the classification of SOD under the Plug & Play copy protection encoding rules. Starz further states that SOD should be reclassified from an “Undefined Business Model” to a “Defined Business Model,” and that as a Defined Business Model, subscription on demand services should be permitted to be encoded as restrictively as “Copy Never.” Therefore, Starz requests the Commission on reconsideration to modify the rules by including the term “Subscription-on-Demand” (47 C.F.R. §76.1902(q)) in the definition of “Defined Business Model” (47 C.F.R. §76.1902(i)). In addition, Subscription-on-Demand should be included in the “Copy Never” classification by adding a reference to Subscription-on-Demand to the “Copy Never” rule (along with Video-on-Demand and Pay-Per-View) in Sections 76.1904(b)(1)(i) and 76.(b)(2).

In addition, Starz hereby seeks to withdraw the “Opposition of Starz Encore Group LLC to Petitions for Reconsideration,” filed March 10, 2004, and the “Ex Parte Presentation in CS Docket No. 97-90 and PP Docket No. 00-67,” Starz filed on April 8, 2004. In addition, Starz hereby expresses its support for the Petition for Reconsideration filed by the MPAA in this proceeding on December 29, 2003.

Please feel free to contact me, or our counsel, Martin L. Stern, at the numbers below if you have any questions regarding this matter.

Respectfully submitted,

STARZ ENTERTAINMENT GROUP LLC

By: /s/
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